

ERIE COUNTY CITIZENS' BUDGET REVIEW COMMISSION

Minutes of Meeting from October 27, 2016

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ATTENDEES: Joseph Heins, Mark Davis, Michael Otto, Jud Payne, Edward Kumrow, Joseph Hanna, E. Peter Forrestel, Stefan Mychajliw, Timothy Callan and Joseph Winter

INVITEES: Kevin Hardwick, Buffalo News, League of Women Voters, Accounting students from Niagara University

EXCUSED: Jorge S. deRosas and Jeremy Toth

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Call to Order:

In light of bad weather this day, the meeting commenced at approximately 8:55 am

Review of Prior Committee Minutes:

With a motion from Jud Payne and seconded by Mark Davis, minutes from the meeting on 8.26.16 were unanimously approved

Introduction of Committee Member:

A discussion began with a welcome to the Commission by E. Peter Forrestel. Peter gave a brief background about himself and his general experience from the banking industry to the Commission members and the general public at the meeting

Discussion of Budget Monitoring Report for period ended 8.31.2016:

Mr. Winter asked Mr. Callan to review the most recent Budget Monitoring Report for the Committee. A discussion started with Tim Callan pointing out that a total year to date negative budget variance of approximately \$480,000 exists at 8.31.2016. Total revenues were approximately \$13.7 million less than budget while total operating expenses were approximately \$13.3 million less than budget leading to the variance.

The following matters that the Commission discussed in more detail for financial clarification included:

The budget shortfall of sales tax revenue of approximately \$1.3 million at 8.31.2016; the Division of Budget was going to continue to closely monitor sales tax collections to ascertain the overall financial impact to the County as well as budget implications.

It was noted the DWI Program had a negative revenue variance of approximately \$600,000 as of 8.31.2016.

Medicaid Indigent Care and IGT payments to ECMC payments were noted as being negatively over budget as of 8.31.2016. One point of clarification made by Tim Callan as that a New York State reconciliation of 2013 amounts became finalized in June 2016 and also the County Administration is working with ECMC to address IGT payments.

Mark Davis asked a question about credit ratings for borrowing purposes for project related initiatives comparing the borrowing capability of Erie County with Erie County Medical Center.

Edward Kumrow raised the question about the possibility of appropriating a certain amount of fund balance to be used for 2017 budget purposes or for contingency funding amounts.

Upon motion made by Joe Winter and seconded by Joseph Heins with unanimous Commission approval, it was moved to accept the Budget Monitoring Report at 8.31.16.

Discussion of Proposed 2017 Erie County Budget:

Mr. Winter called upon Mr. Callan to discuss the proposed 2017 Erie County Budget. A discussion began by Tim Callan walking the Commission members through the 2017 Erie County Budget and the 2017-2020 Four Year Financial Plan.

Tim noted that the 2017 budget was balanced with conservative assumptions for revenue and expenditures increases for 2017.

No property tax increase is proposed but the County will benefit through fair value assessment growth while remaining under the New York State property tax cap for 2017. The property tax cap growth for 2017 governed by New York State is .68%.

Sales tax revenue growth was budgeted at a 1.25% increase over calendar year 2016 estimates.

Some notable programs that Tim pointed out to the Commission members included approximately \$55 million in capital projects, \$500,000 for anti-poverty initiatives, \$1 million bump in funding to the Buffalo Niagara Convention Center, \$300,000 increase in opioid initiatives, along with payments to Erie Community College and Erie County Medical Center.

Tim also noted approximately 88.5% of the 2017 Erie County Budget is for mandated services.

Edward Kumrow asked about the general increase in fringe benefits for 2017; it was noted as an estimate for what general health insurance premiums would be for 2017.

Joseph Hanna raised a question about risk retention for 2017 and what type of expected budget variances from the 2016 budget could exist

Jud Payne raised a question about the move of the Erie County Home and what budget implications it would have for 2017.

As a procedural matter the proposed 2017 Erie County Budget was noted and upon motion made by Joe Winter and seconded by Jud Payne with unanimous Commission approval, it was moved to forward the Budget to the Erie County Legislature.

Erie County Budget Hearings Schedule:

Mr. Winter noted the 2017 Proposed Erie County Budget Meeting and Hearing Schedule as an attachment to the Commission members' packet for this meeting. It was noted that department meetings would be on 11.1.2017 – 11.3.2017 with a public hearing on the Budget set for 11.21.2017 and the annual budget meeting would be on 12.6.2017.

These are open session public meetings and Commission members were encouraged if their schedule permitted to attend any of these sessions.

Other Business Matters:

No matters were discussed at this meeting.

The Committee Opened Questions to the Public:

No matters were discussed at this meeting.

Next Meeting:

Will be determined by Committee consensus

Adjourn:

Meeting was adjourned at approximately 10:15 am

Chairman:

Joseph Winter